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8 **UNITED STATES BANKRUPTCY COURT**
9 **SOUTHERN DISTRICT OF NEW YORK**

10
11 In Re:
12 Sears Holdings Corporation, et al.,
13 Debtors.

Chapter 11

Case No. 18-23538-RDD

(Jointly Administered)

Hearing Date: October 15, 2020 at 10:00 a.m. (ET)
Response Deadline: October 9, 2020 by 4:00 p.m. (ET)

Relates to Docket No. 8452

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17 **MARICOPA COUNTY TREASURER'S RESPONSE TO DEBTORS'**
18 **TWENTY-SECOND OMNIBUS OBJECTION TO PROOFS OF CLAIM**
(PROPERTY TAX CLAIMS)

19 Maricopa County Treasurer ("MCT"), by and through its undersigned counsel,
20 hereby submits this response (the "Response") to Debtors' *Twenty-Second Omnibus*
21 *Objection to Proofs of Claim (Property Tax Claims)* [Docket No. 8452] (the "Omnibus
22 Objection"). In support of the Response, MCT respectfully represents as follows.
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BACKGROUND

MCT Claim #20508:

On November 8, 2019, MCT filed its Secured Administrative Expense Proof of Claim in the amount of \$12,491.90 representing Debtors' post-petition 2019 personal property taxes. Interest accrues at the statutory rate of 16% per annum until paid in full, if the taxes are not timely paid. See 11 U.S.C. § 511 and Arizona Revised Statutes ("A.R.S.") § 42-18053. The tax liens attached on January 1, 2019. A.R.S. § 42-17153. Further, the tax liens are "prior and superior to any other liens of every kind and description regardless of when another lien attached" and the liens "shall not be discharged until the taxes are paid or the title to the property vests in a purchaser of the property for taxes." A.R.S. § 42-19106¹. The 2019 taxes remaining unpaid are listed below. (Also, see Tax Summaries attached as Exhibit "A").

Property Address	Parcel	Tax Year	Tax Due As Of 9/23/20
10001 N. Metro Pkwy W, Phoenix, AZ	900-31-151	2019	\$0.00
10001 N. Metro Pkwy W, Phoenix, AZ	990-76-458	2019	\$0.00
7780 Arrowhead Mall, Glendale, AZ	947-97-650	2nd Half 2019	\$0.00
Desert Sky Mall, Suite C03, Phoenix, AZ	900-97-199	Full 2019	\$5,432.55
Paradise Valley Mall, Suite 4604, Phoenix, AZ	924-31-732	2nd Half 2019	\$0.00
952 E. Baseline Road, Suite 111, Mesa, AZ	924-31-741	2019	\$0.00
6515 E. Southern Avenue, Mesa, AZ (Superstition Springs)	928-84-630	Full 2019	\$3,370.21
8440 S. Hardy Drive, Tempe, AZ	943-83-840	Full 2019	\$745.71
8440 S. Hardy Drive, Tempe, AZ	990-76-467	2019	\$0.00
Chandler Fashion Center, Chandler, AZ	947-21-473	2019	\$0.00
Fiesta Mall, Suite 1425, Mesa, AZ	900-87-693	2019	\$0.00
4225 W. Indian School Road, Phoenix, AZ	901-70-388	2019	\$0.00
8701 W. McDowell Road, Tolleson, AZ	915-98-671	2019	\$0.00
			\$9,548.47

¹ See also A.R.S. § 42-17153.

OBJECTION

MCT objects to the relief requested in the Omnibus Objection as the 2019 personal property taxes have not been paid in full or otherwise satisfied. The Debtors owned the personal property on the lien attachment date of January 1, 2019. Further, the Debtors continued to operate these locations into the 2019 tax year. Debtors did not reject the Desert Sky Mall and Superstition Springs leases until March 12, 2019 (Order at DE 2800). Debtors did not reject the Tempe lease until on or about April 30, 2019 (Order at DE 3884). In addition, the 2019 taxes were based on the 2019 business personal property statements submitted by the Debtors to the Maricopa County Assessor.

Pursuant to A.R.S. § 42-17153, the taxes on the property cannot be discharged until one of the following occurs:

(a) The taxes, penalties, charges and interest are paid.

(b) Title to the property has finally vested in a purchaser under a sale for taxes.

(c) A certificate of removal and abatement has been issued pursuant to section 42-18353.

None of these have occurred. Based on the above, the Debtors remain liable for payment of the 2019 taxes.

WHEREFORE, MCT objects to disallowance and expungement of MCT Claim #20508 and requests the Court to deny the Omnibus Objection and allow MCT Claim #20508 in full, including any and all interest, to be paid by Debtors within ten (10) days of entry of the Order.

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Dated: September 25, 2020.

ALLISTER ADEL
MARICOPA COUNTY ATTORNEY

/s/ Peter Muthig
PETER MUTHIG (AZ State Bar #018526)
Deputy County Attorney
Attorney for Maricopa County Treasurer

CERTIFICATE OF SERVICE

I, Peter Muthig, hereby certify that, on September 25, 2020, I caused a copy of the foregoing document to be served upon the parties below in the manner indicated.

U.S. MAIL

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Chambers
U.S. Bankruptcy Court, S.D. New York
300 Quarropas Street
White Plains, NY 10601

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*Attorneys for the Official
Committee of Unsecured Creditors*

/s/ Peter Muthig
Peter Muthig (AZ Bar No. 018526)

Exhibit A

Tax Summary for 900-97-199 1				
Total Property Tax Due			\$8,964.30	
Tax Year	Status	Assessed Tax	Tax Paid	Amount Due
2019	Open - BTX	\$4,908.94	\$0.00	\$5,432.55
2018	Open - BTX	\$5,758.32	\$2,879.16	\$3,531.75
2017	Paid - BTX	\$6,643.26	\$6,643.26	\$0.00
2016	Paid - BTX	\$7,394.52	\$7,394.52	\$0.00
2015	Paid - BTX	\$1,602.66	\$1,602.66	\$0.00
2014	Paid - BTX	\$3,351.80	\$3,351.80	\$0.00
2013	Paid - BTX	\$9,054.10	\$9,054.10	\$0.00
2012	Paid - BTX	\$9,217.76	\$9,217.76	\$0.00
2011	Paid - BTX	\$8,997.54	\$8,997.54	\$0.00
2010	Paid - BTX	\$8,267.46	\$8,267.46	\$0.00
2009	Paid - BTX	\$8,470.12	\$8,470.12	\$0.00
2008	Paid - BTX	\$11,880.22	\$11,880.22	\$0.00
2007	Paid - BTX	\$17,773.18	\$17,773.18	\$0.00
2006	Paid - BTX	\$23,520.78	\$23,520.78	\$0.00
2005	Paid - BTX	\$34,288.50	\$34,288.50	\$0.00
2004	Paid - BTX	\$35,675.82	\$35,675.82	\$0.00
2003	Paid - BTX	\$37,554.18	\$37,554.18	\$0.00
2002	Paid - BTX	\$34,542.76	\$34,542.76	\$0.00
2001	Paid - BTX	\$35,992.76	\$35,992.76	\$0.00
2000	Paid - BTX	\$33,089.63	\$33,089.63	\$0.00
1999	Paid - BTX	\$17,932.76	\$17,932.76	\$0.00
1998	Paid - BTX	\$18,917.62	\$18,917.62	\$0.00
1997	Paid - BTX	\$18,840.51	\$18,840.51	\$0.00

Current Name & Address
SEARS ROEBUCK & CO
PROPERTY TAX COMPLIANCE
3333 BEVERLY RD
% DEPT 768 TAX BLDG B2-110A
HOFFMAN ESTATES IL 60179

Current Situs Address
DESERT SKY MALL SUITE C03
PHOENIX AZ 85033

Parcel Indicators
2019 - Comments
2019 - Special Interest
2018 - Comments
2017 - Comments
2003 - Resolution Completed

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No Redemption Statement

Tax Summary for 928-84-630 3				
Total Property Tax Due			\$5,278.23	
Tax Year	Status	Assessed Tax	Tax Paid	Amount Due
2020	Paid - CTX	\$0.00	\$0.00	\$0.00
2019	Open - BTX	\$3,045.38	\$0.00	\$3,370.21
2018	Open - BTX	\$3,110.92	\$1,555.46	\$1,908.02
2017	Paid - BTX	\$3,152.56	\$3,152.56	\$0.00
2016	Paid - BTX	\$2,944.70	\$2,944.70	\$0.00
2015	Paid - BTX	\$2,898.60	\$2,898.60	\$0.00
2014	Paid - BTX	\$2,797.88	\$2,797.88	\$0.00
2013	Paid - BTX	\$2,405.66	\$2,405.66	\$0.00
2012	Paid - BTX	\$2,303.80	\$2,303.80	\$0.00
2011	Paid - BTX	\$4,673.94	\$4,673.94	\$0.00
2010	Paid - BTX	\$6,668.56	\$6,668.56	\$0.00
2009	Paid - BTX	\$9,321.26	\$9,321.26	\$0.00
2008	Paid - BTX	\$11,838.80	\$11,838.80	\$0.00
2007	Paid - BTX	\$16,793.50	\$16,793.50	\$0.00
2006	Paid - BTX	\$19,716.36	\$19,716.36	\$0.00
2005	Paid - BTX	\$20,106.86	\$20,106.86	\$0.00
2004	Paid - BTX	\$18,999.02	\$18,999.02	\$0.00
2003	Paid - BTX	\$17,514.14	\$17,514.14	\$0.00
2002	Paid - BTX	\$9,592.76	\$9,592.76	\$0.00
2001	Paid - BTX	\$12,064.86	\$12,064.86	\$0.00
2000	Paid - BTX	\$14,792.30	\$14,792.30	\$0.00
1999	Paid - BTX	\$20,214.00	\$20,214.00	\$0.00
1998	Paid - BTX	\$24,628.92	\$24,628.92	\$0.00
1997	Paid - BTX	\$26,794.82	\$26,794.82	\$0.00

Current Name & Address
SEARS ROEBUCK & CO
PROPERTY TAX COMPLIANCE
3333 BEVERLY RD
% DEPT 768 TAX BLDG B2-110A
HOFFMAN ESTATES IL 60179

Current Situs Address
SUPERSTITION SPRINGS
MESA AZ 85206

Parcel Indicators
2019 - Comments
2019 - Special Interest
2018 - Comments
2004 - Resolution Completed

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No Redemption Statement

Tax Summary for 943-83-840 6				
Total Property Tax Due			\$745.71	
Tax Year	Status	Assessed Tax	Tax Paid	Amount Due
<u>2019</u>	Open - BTX	\$673.84	\$0.00	<u>\$745.71</u>
<u>2018</u>	Paid - BTX	\$700.02	\$700.02	<u>\$0.00</u>
<u>2017</u>	Paid - BTX	\$1,208.50	\$1,208.50	<u>\$0.00</u>
<u>2016</u>	Paid - BTX	\$1,835.28	\$1,835.28	<u>\$0.00</u>
<u>2015</u>	Paid - BTX	\$2,439.56	\$2,439.56	<u>\$0.00</u>
<u>2014</u>	Paid - BTX	\$3,883.36	\$3,883.36	<u>\$0.00</u>
<u>2013</u>	Paid - BTX	\$4,750.72	\$4,750.72	<u>\$0.00</u>
<u>2012</u>	Paid - BTX	\$5,378.48	\$5,378.48	<u>\$0.00</u>
<u>2011</u>	Paid - BTX	\$6,122.94	\$6,122.94	<u>\$0.00</u>
<u>2010</u>	Paid - BTX	\$5,846.86	\$5,846.86	<u>\$0.00</u>
<u>2009</u>	Paid - BTX	\$4,786.98	\$4,786.98	<u>\$0.00</u>
<u>2008</u>	Paid - BTX	\$3,219.58	\$3,219.58	<u>\$0.00</u>
<u>2007</u>	Paid - BTX	\$4,376.52	\$4,376.52	<u>\$0.00</u>
<u>2006</u>	Paid - BTX	\$6,045.12	\$6,045.12	<u>\$0.00</u>
<u>2005</u>	Paid - BTX	\$6,440.70	\$6,440.70	<u>\$0.00</u>
<u>2004</u>	Paid - BTX	\$8,309.34	\$8,309.34	<u>\$0.00</u>
<u>2003</u>	Paid - BTX	\$9,920.28	\$9,920.28	<u>\$0.00</u>
<u>2002</u>	Paid - BTX	\$11,914.36	\$11,914.36	<u>\$0.00</u>
<u>2001</u>	Paid - BTX	\$13,555.26	\$13,555.26	<u>\$0.00</u>
<u>2000</u>	Paid - BTX	\$19,514.58	\$19,514.58	<u>\$0.00</u>
<u>1999</u>	Paid - BTX	\$15,721.31	\$15,721.31	<u>\$0.00</u>

Current Name & Address
SEARS ROEBUCK & CO
PROPERTY TAX COMPLIANCE
3333 BEVERLY RD
% DEPT 768 TAX BLDG B2-110A
HOFFMAN ESTATES IL 60179

Current Situs Address
8440 S HARDY DR
TEMPE AZ 85284

Parcel Indicators
2019 - Comments
2018 - Comments

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No Redemption Statement